

0010

From: Mary Ann Wright
To: Keith Thompson
Date: 6/21/2007 10:47:27 AM
Subject: RE: status of facility?

3 007/045

Keith - Thank you very much for this update. Look forward to hearing from you again soon. Good luck with your project.

>>> "Keith Thompson" <kthompson@headwaters.com> 06/21/2007 10:41 AM >>>

We are just finishing a test. It will take us about 2-3 weeks to assemble the data and put together a proposal. We are both hopeful and cautiously optimistic that we can come to a mutually agreeable business arrangement based on the initial results we are seeing and our discussions. If we can come to terms on the business arrangement we will keep the plant open and proceed with all prudent haste to get everything in place. If not, plant prospects are looking bleak and we will likely shut the plant down. Of note, for the test that we have performed we have moved both the product and by product. It appears that this portion of the business model is correct, we are able to sell the by product as a fuel and have moved all the by product material we own.

I appreciate your patience and support as we are fighting to keep the plant open and in operation. The test runs have been vital to us to convince potential customer(s) they have need of our service. I will let you know more in approximately 3 weeks after the business discussions have developed.

Thanks,
Keith

From: Mary Ann Wright [<mailto:maryannwright@utah.gov>]
Sent: Thursday, June 21, 2007 10:20 AM
To: Keith Thompson
Cc: Daron Haddock; Pam Grubaugh-Littig; Susan White; Wayne Hedberg
Subject: status of facility?

Keith - What is the status of the test runs? Will Covol be coming in with its bond and plan soon? Please bring us up to speed on this issue. We drove by the site on Tuesday and observed several small coal piles and machinery operating. Please give us a status report. Thanks!

CC: Daron Haddock; Karl Houskeeper; Pam Grubaugh-Littig; Steve Alder; Susan White; Wayne Hedberg